

News from Ed Markey

United States Congress Massachusetts Seventh District

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MARKEY INTRODUCES COMPREHENSIVE ELECTRICITY RESTRUCTURING LEGISLATION

WASHINGTON, DC -- Representative Edward J. Markey (D-MA) today introduced comprehensive electric utility restructuring legislation aimed at opening up competition in electricity generation and allowing retail consumers to choose where to purchase their power.

"This legislation seeks to create federal incentives for removal of existing state-level barriers to full competition and consumer choice in electricity generation," said Rep. Markey.

Markey explained, "Essentially, we are telling the utilities that if you eat some competition "spinach," we'll give you a very sweet deregulatory dessert. And the spinach will be good for you and very good for your customers."

Rep. Markey is a senior member of the Commerce Committee's Subcommittee on Energy and Power, and formerly served as the Chairman of the Committee's Subcommittee on Energy Conservation and Power. He authored the 1992 legislation that opened up wholesale competition in electric energy, and in the last Congress introduced the first comprehensive bills aimed at opening up retail competition. The legislation Rep. Markey introduced today (H.R.1960), the "Electric Power Competition and Consumer Choice Act of 1997" would:

- **require each state to initiate a retail competition rulemaking proceeding.**
- **repeal PUHCA and the mandatory power purchase provisions of PURPA for utilities in those states who elect to open up full retail competition and who certify that they have provided protections for certain public benefit programs, including support for renewables, energy efficiency, temporary worker transition and retraining costs, and assured service to low-income consumers.'**
- **prevent utilities from providing electricity services in states that have opened up to competition unless such services can legally be offered on a competitive basis in the utility's home markets.**
- **give the Federal Energy Regulatory Commission (FERC) and the states enhanced authority to oversee utility mergers and acquisitions to protect consumers from transactions that are inconsistent with effective competition in electricity markets or would increase electricity prices.**

- give FERC and the states enhanced authority to curb excessive utility market power, guard against anticompetitive practices, review utility interaffiliate transactions to protect consumers from cross-subsidization or self-dealing, and obtain full access to electric utility books and records.
- direct FERC to establish regional transmission markets to assure functionally efficient and nondiscriminatory electricity transmission and prevent "pancaking" of transmission rates.
- direct the President or his designee to issue rules to prevent utilities from gaining any competitive advantage in a restructured electricity market by virtue of their ownership or control of dirtier power plants that are not subject to the same pollution standards established by the Environmental Protection Agency (EPA) for new generation sources. Such rules shall provide for generation performance standards for other powerplant environmental emissions (e.g., NOX).
- give the Federal Trade Commission (FTC) authority to issue rules to assure electricity consumers receive fair and full disclosures regarding the prices, generation sources, emissions, and other key information regarding the electricity they purchase.
- provide for the establishment of an Electric Reliability Council to serve as an industry self-regulatory organization, overseen by the FERC, to assure the continued reliability of the nation's electric power supply in a restructured electricity industry.
- create a federal-state board to review universal service requirements in a restructured electricity industry in order to assure that all regions of the nation continue to receive electricity services.
- promote increased reliance on environmentally-sustainable renewable energy technologies by creating a renewable energy credit trading system managed by DOE that would require all generators of electricity to submit credits increasing from 3 percent to 10 percent of total sales between the date of enactment and 2010.

Rep. Markey concluded, "I believe that the principles outlined in this bill reflect what we're going to need to do in order to craft bipartisan electricity legislation that advances competition, helps consumers, and protects the environment."